

**CITY OF  
COLORADO SPRINGS, COLORADO**

# **PAFR**

**POPULAR ANNUAL  
FINANCIAL REPORT**

# **2020**

**FISCAL YEAR  
JANUARY 1 - DECEMBER 31**



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## CITY ADMINISTRATION

30 South Nevada Avenue  
Colorado Springs,  
CO 80903  
719-385-2489  
[coloradosprings.gov](http://coloradosprings.gov)



The detailed financial reports for the City of Colorado Springs, including the Annual Comprehensive Financial Report, can be found at: <https://coloradosprings.gov/accounting>

# FINANCIAL ACHIEVEMENTS



Government Finance Officers Association

## Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**City of Colorado Springs**  
**Colorado**

For its Annual Financial Report  
for the Fiscal Year Ended

**December 31, 2019**

*Christopher P. Morill*

Executive Director/CEO

Government Finance Officers Association of the United States and Canada (GFOA) has given the Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Colorado Springs for its Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2019. The City of Colorado Springs is honored to have earned this esteemed achievement after presenting the PAFR for the first time.

Included in this honored achievement, the City of Colorado Springs is delighted to announce it has earned, for the first time in its history, a special Triple Crown medallion for FYE 2019, signifying the government has received all three of the following GFOA awards:

Certificate of Achievement for Excellence in Financial Reporting  
Distinguished Budget Presentation  
Popular Annual Financial Reporting

The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only.



# CHIEF FINANCIAL OFFICER'S MESSAGE



Dear Residents of the City of Colorado Springs,

It is my privilege to present to you the Popular Annual Financial Report (PAFR) for the City of Colorado Springs. The purpose of this report is to provide financial transparency in an easy-to-read and informative format. We take our responsibility as stewards of the City's financial resources seriously and we strive to provide customer-focused delivery of effective and efficient city services through solid financial management. I hope this report provides you with an opportunity to learn and participate in the City's financial activities.

This report is a simplified and condensed version of the City's Annual Comprehensive Financial Report (ACFR). The PAFR, unlike the ACFR, is unaudited and provides summary information on primary government funds, with references to other activities. Therefore, this report does not conform to reporting format standards set forth by GASB (Governmental Accounting Standards Board) or GAAP (Generally Accepted Accounting Principles). It is meant to be a broader and more approachable summary. For more detailed financial information, please visit the City's website at [www.coloradosprings.gov](http://www.coloradosprings.gov). There you can find the City's Annual Budget, ACFR, and other detailed reporting. The website also includes information about job opportunities, City Council, parks, public safety, and other services of the City of Colorado Springs, Olympic City, USA.

Sincerely,

Charae McDaniel  
Chief Financial Officer



# MEET YOUR ELECTED OFFICIALS



**Mayor John Suthers**



Connect  
with the Mayor  
on SocialMedia



## Colorado Springs City Government



The City of Colorado Springs operates under a council-mayor form of government, often called the "strong mayor" governance model. In November 2010, the citizens of the City voted to change the form of their city government from a council-manager form of government to the new structure.

The Mayor of the City is a full-time elected official and the City's chief executive, exercising all administrative and executive powers granted to the City, except as otherwise delegated by the City Charter. The Mayor is responsible for budgeting, strategic planning and the business of running an efficient and effective city government. Policy-making and legislative authority are vested in the governing council (Council) consisting of nine members, six of whom represent one of six equally populated districts each. The remaining three members are elected at-large.

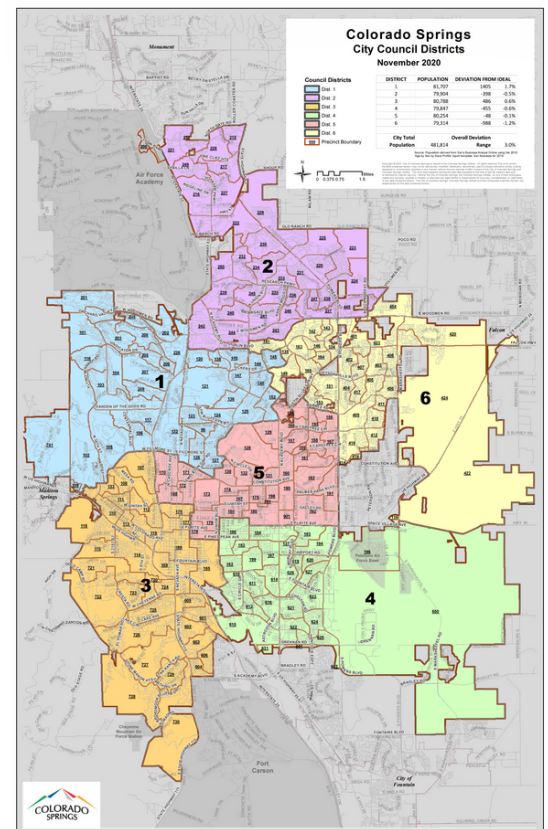
The Council also has significant control over several legally separate entities that are component units of the City.

## Colorado Springs City Council

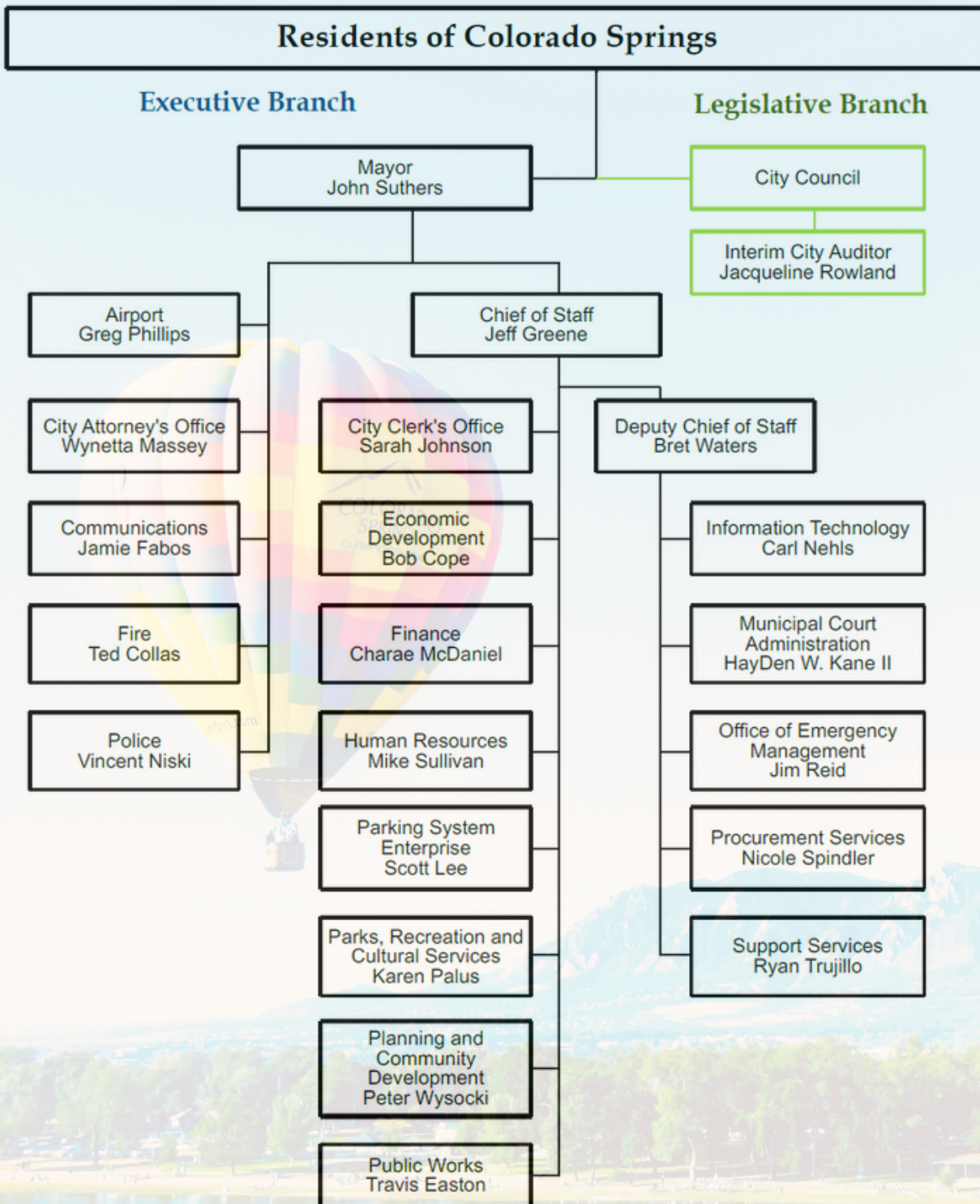


Front Row (from left to right): Council Member **David Geislinger** (District 2), Council Member **Yolanda Avila** (District 4), Council Member **Bill Murray** (At-Large), Council Member **Andy Pico** (District 6)

Back Row (from left to right): Council Member **Don Knight** (District 1), Council President Pro-Tem **Tom Strand** (At-Large), Council President **Richard Skorman** (District 3), Council Member **Jill Gaebler** (District 5), Council Member **Wayne Williams** (At-Large)



# CITY ORGANIZATIONAL CHART





# COLORADO SPRINGS AT A GLANCE



Colorado Springs - Olympic City USA is the most populous city of El Paso County in Colorado and is the county seat. The City is situated near the base of one of the most famous American mountains, Pikes Peak, at the eastern edge of the southern Rocky Mountains. The magnificent view at the summit inspired Katharine Lee Bates to pen the words to "America the Beautiful." Throughout its history, Colorado Springs has been a popular tourist destination due to its surrounding natural beauty and invigorating climate. Some of the area's most visited attractions include Garden of the Gods, United States Olympic Headquarters and Training Center, Cheyenne Mountain Zoo, United States Air Force Academy, and The Broadmoor Hotel.



Cheyenne Mountain



Air Force Academy



Pioneers Museum

Colorado Springs is Colorado's

**2ND** largest city

Data source: coloradospringschamberedc.com, VisitCOS.com

Founded in  
**1871**  
by  
General William Jackson Palmer



# WHY COLORADO SPRINGS?



Strong Sense of Community



Year-Round Healthy Lifestyle



Abundance of Cultural Events



Affordable Cost-of-Living



Vibrant Economy

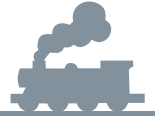


Art & Museums

Outdoor Activities, Parks, & Trails



Train Rides & Scenic Drives



Historic Landmarks

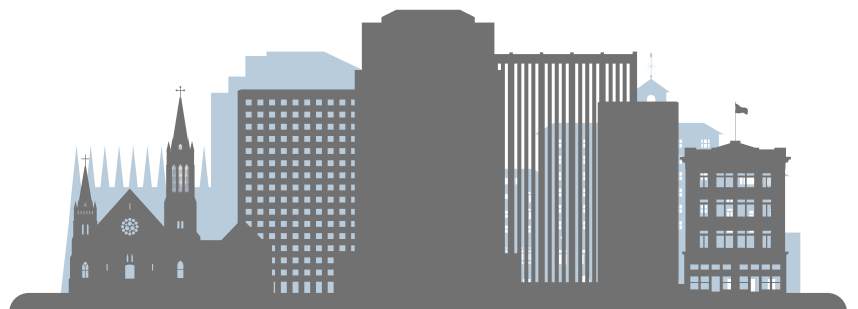


Food and Dining



## MAJOR ATTRACTIONS

- Garden of the Gods
- US Olympic & Paralympic Museum
- United States Air Force Academy
- Pikes Peak - America's Mountain
- Cave of the Winds
- Cheyenne Mountain Zoo
- Pioneers Museum
- Pro Rodeo Hall of Fame & American Cowboy Museum



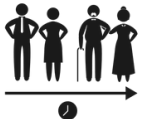
Data source: coloradospringschamberedc.com, VisitCOS.com

# DEMOGRAPHICS & ECONOMY

## POPULATION

**483,624**

Number of Colorado Springs  
Residents 2020



**34.6**

Median Age

**738,939**

Residents in Greater CO  
Springs Area 2020



**\$53,324**

Per Capita  
Personal Income

**\$68,119**

2020 Median  
Household Income



**12**

Colleges  
and  
Universities

**5**

NSA Certified Higher  
Education Institutions

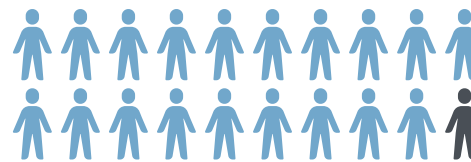


**15.5%**

Residents have  
Graduate or  
Professional  
Degrees

**38.6%**

Residents have  
Bachelor's  
Degrees

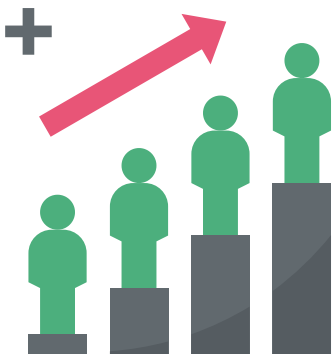


**93.4%**

Residents  
graduated high  
school

Data sources: U.S. Department of Commerce, Bureau of Economic Analysis for Colorado Springs, CO Metropolitan Statistical Area (MSA)  
Colorado Department of Local Affairs, Demography section  
coloradospringschamberedc.com

**COLORADO  
SPRINGS**

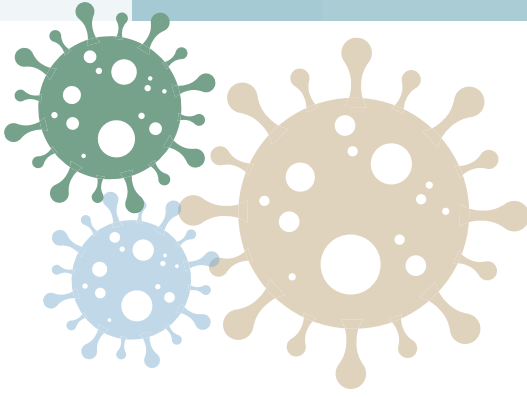


**POPULATION  
GROWTH**



Source: U.S. Census Bureau

# DEMOGRAPHICS & ECONOMY

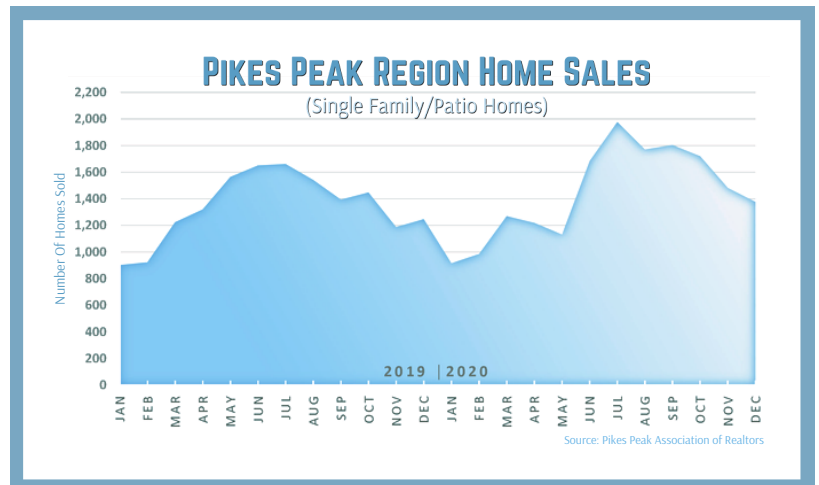


In March 2020, the COVID-19 pandemic reached Colorado. A state of emergency was declared by the Governor and by the end of March non-essential businesses were either closed or their operations were limited per the Stay at Home order that was put into place to slow the spread of COVID-19. Near the end of April, the Stay at Home order was lifted, and business were allowed to slowly begin operating with varying degrees of restrictions. The shutdown of the economy created an economic recession that negatively impacted much of the revenue for the City.

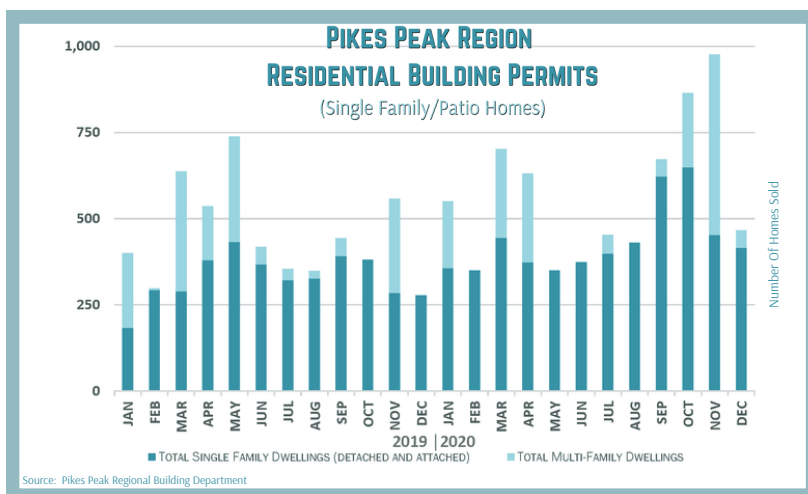
In response to the economic impact of responding to the COVID-19 pandemic, legislation was approved by Congress and signed into law by President Trump on March 27, 2020. This legislation is the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and authorized more than \$2 trillion to address COVID-19 and its economic effects.



The City of Colorado Springs received \$37.5 million of CARES funding from El Paso County, which was used to address eligible expenses. Portions of the local economy experienced dramatic impacts due to the pandemic induced economic shutdown in 2020. The local unemployment rate began the year at 3.3%, then spiked in April at 12.5% before declining and ending the year at 7.4%. Hotel occupancy (12-month moving average) began the year at 69.7% and dropped to 49.6% for December.



Other portions of the economy experienced continued strength, particularly the home building industry. The number of home sales grew by 7.9%, and the number of residential building permits increased 26.6%.





# DEMOGRAPHICS & ECONOMY

Colorado Springs is booming, with some of the nation's leading companies and organizations in next-generation industries.

The region boasts a cybersecurity industry that is one of the top five for jobs in the nation, an unmatched aerospace and defense cluster that is a hub for national military technology and strategy, a sports industry fueled by 57 national and international sports organizations, and groundbreaking innovation in life sciences and medical devices.

## 2020 PRINCIPAL EMPLOYERS BY INDUSTRY



Fort Carson



United States  
Air Force Academy



Schriever Air Force Base



Peterson Air Force Base



UC Health -  
Memorial Health System



Penrose St. Francis  
Health Services / Centura



School District #11 -  
Colorado Springs



School District #20 - Air Academy



El Paso County



City of Colorado Springs

Source: The Colorado Springs Chamber & Economic Development Corporation and U.S. Department of Labor, Bureau of Labor Statistics for El Paso County, CO

# STRATEGIC PLAN



OLYMPIC CITY USA

## THE MAYOR'S STRATEGIC PLAN

As stated in the City Charter, the Mayor prioritizes goals for the City. The 2020 plan has four platform goals and commits to delivering the "best in class" municipal government and offers game-changing new ideas with real, measurable outcomes.



### INVESTING IN INFRASTRUCTURE

Continue to address infrastructure and transportation needs by providing smart and innovative mobility solutions to create a connected, safe, and accessible community. This should include trails and multi-modal access, as well as traditional modes of transit.

### PROMOTING JOB CREATION

Collaborate with regional partners to attract a diverse economic base to Olympic City USA. This focus includes corporate and small businesses, entrepreneurial start-ups and Opportunity Zones to create diverse and sustainable economic growth.

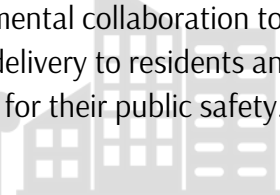


### BUILDING COMMUNITY & COLLABORATIVE RELATIONSHIPS

Provide strategic city services and community partnerships to improve citizen quality of life by reducing crime, reducing the number of persons experiencing chronic homelessness, increasing affordable housing opportunities, and facilitating community investment. Collaborate with other governmental agencies and military installations.

### EXCELLING IN CITY SERVICES

Provide excellent and sustainable delivery of core services by making data driven investments and decisions. Support continuous improvement and cross departmental collaboration to improve service delivery to residents and provide for their public safety.



# THE 4 COMPONENTS OF CITY FOR CHAMPIONS

The City for Champions project was submitted through an application to the State of Colorado Economic Development Corporation for state funding through the Colorado Regional Tourism Act. Consisting of a collection of four unique projects with five distinct and extraordinary venues, the City of Champions will attract new visitors to Colorado Springs, the surrounding region and the State of Colorado. Together, these projects add dimension, energy and economic vitality to the Colorado Springs region. It builds upon Colorado Springs' history as a health destination, a training ground for the nation's armed forces, and a sports fitness hub.



An iconic destination museum dedicated to highlighting the values, historic moments, and collective memories of the Olympic and Paralympic movements.

UNITED STATES OLYMPIC & PARALYMPIC MUSEUM



Two destinations for athletes and sports fans, these one-of-a-kind stadiums will host regional and national sporting events associated with the Olympic movement in Colorado Springs and serve as the homes of professional and amateur sports teams.

WEIDNER FIELD AND THE EDWARD J. ROBSON ARENA



A destination for engaging visitor experiences, providing a way for visitors to learn about the contributions of Cadets to the US Air Force Academy.

GATEWAY VISITOR CENTER



A destination clinic for training and healing elite athletes and wounded warriors, and for the study of aging at the University of Colorado Colorado Springs.

THE UCSS WILLIAM J. HYBL SPORTS MEDICINE & PERFORMANCE CENTER



# PERFORMANCE MEASUREMENT



Patty Jewett Golf Course



New Apartment Homes

## OPERATING INDICATORS BY FUNCTION/PROGRAM

**24,900,000,000**

gallons of  
water used



**527,418**

visitors to  
Pikes Peak



**1,106**

miles of roads  
resurfaced



**15,592**  
acres of parks  
maintained



**364,000**  
passenger  
boardings  
at airport



**13,717,000,000**  
gallons of  
wastewater  
treated

**193**  
affordable  
housing units  
developed and  
rehabilitated



**153,946**  
rounds of golf  
played on City  
golf courses



**11**  
minute  
average police  
response time



# THE CITY'S NET POSITION

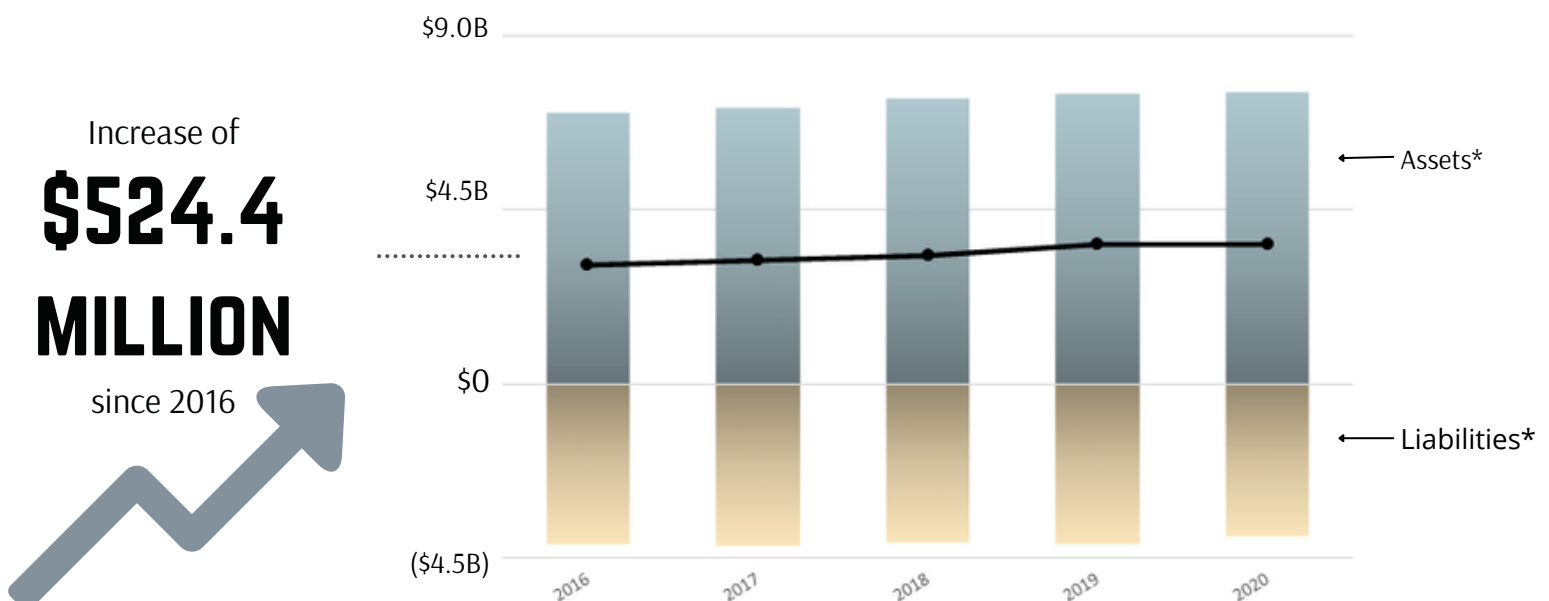
The City has a positive Net Position and has shown slow steady growth over the last five years. For 2020, the City's total Net Position was \$3.6 billion. This is an increase in the City's Net Position of \$5.3 million or 0.1% from FY 2019. This increase was primarily due to capital assets donated by the Pikes Peak Rural Transportation Authority and developers, with a decrease due to the net impact of a Utilities' capital asset impairment related to the decision to decommission power plants, offset by a decrease in net pension liability.



Pikes Peak Avenue road construction project

The following chart highlights the overall financial health of the City of Colorado Springs, known as Net Position. Assets, represented in the chart by blue-gray bars, show the combined value of everything the City owns, whether it is available for general use, available only for specific purposes, or buildings and vehicles, just to name a few examples. Next, liabilities are shown as tan bars. This is the combined value of everything the City owes, such as bills due, bond payments, or other obligations. When you take all the assets less all the liabilities, you are left with Net Position, shown as a black line. Just like when managing personal finances, you want what you have to be worth more than what you owe.

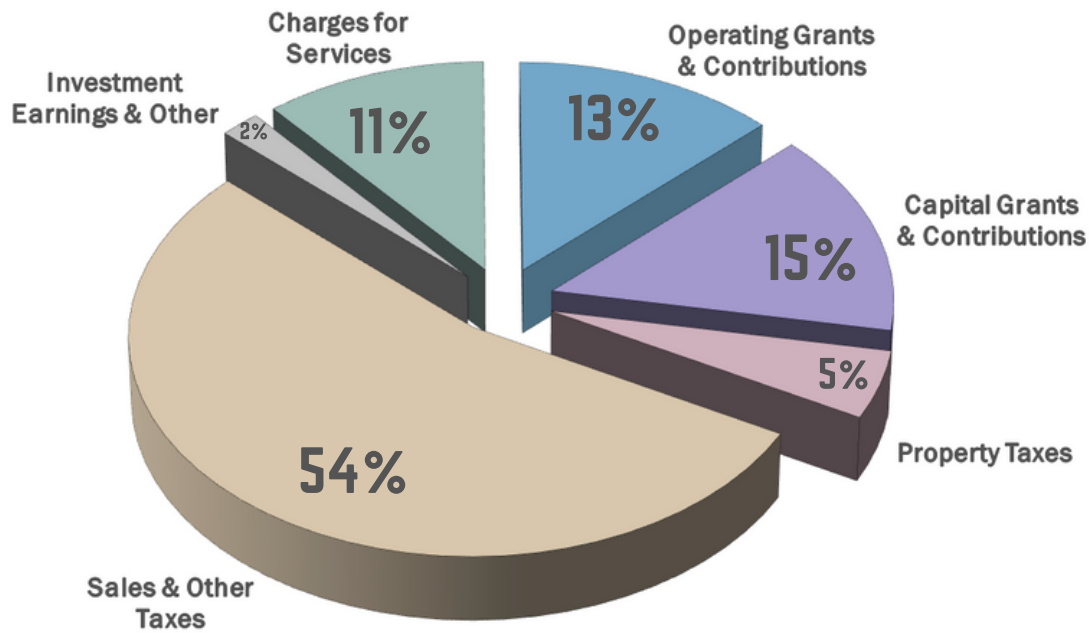
## 5 YEAR TREND NET POSITION OF THE CITY OF COLORADO SPRINGS



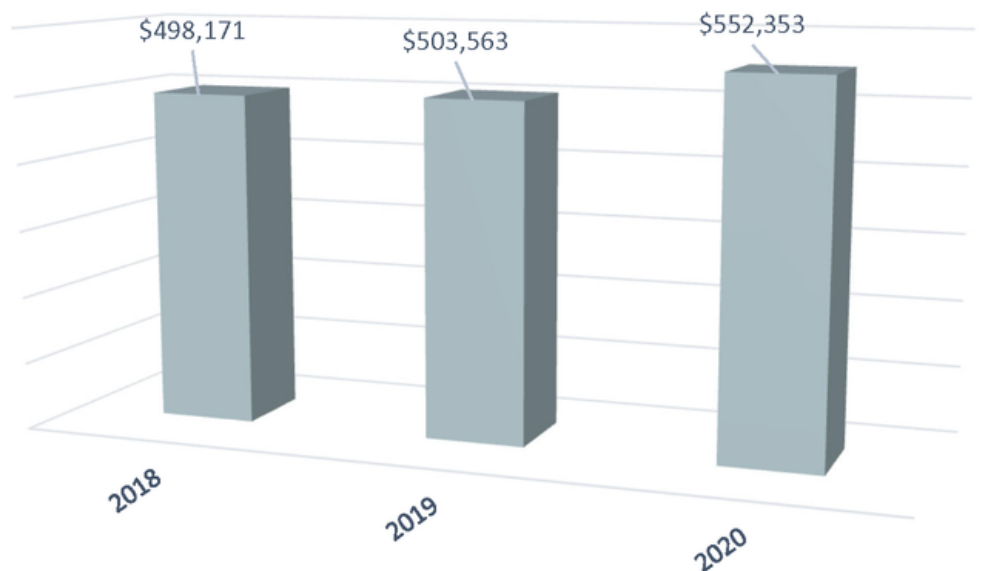
# GOVERNMENTAL REVENUES: WHERE THE MONEY COMES FROM

The total governmental activities revenues for the City of Colorado Springs in FY 2020 were \$552.4 million, an increase of \$48.8 million from the previous year. The primary reason for this increase was due to the receipt of COVID Relief funds from El Paso County. Sales tax revenue increased by \$3.0 million largely due to online sales tax collections. City sales and use tax collections are primarily dependent upon the level of local economic activity, customer confidence, tourist activity, and inflationary growth.

## 2020 GOVERNMENTAL REVENUES BY SOURCE



## 3 YEAR TREND GOVERNMENTAL ACTIVITIES REVENUE\*



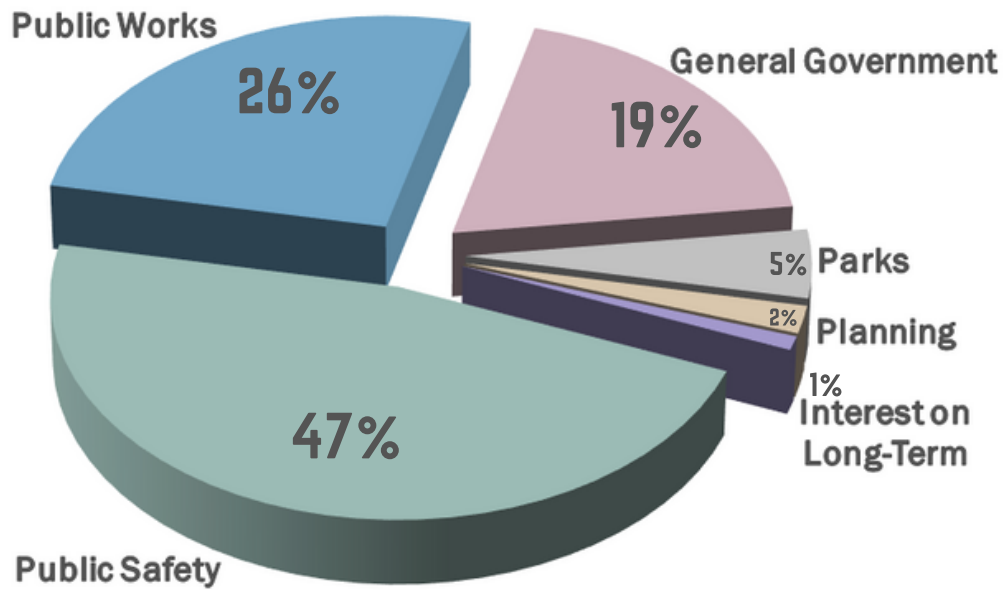
\*Amounts are expressed in thousands



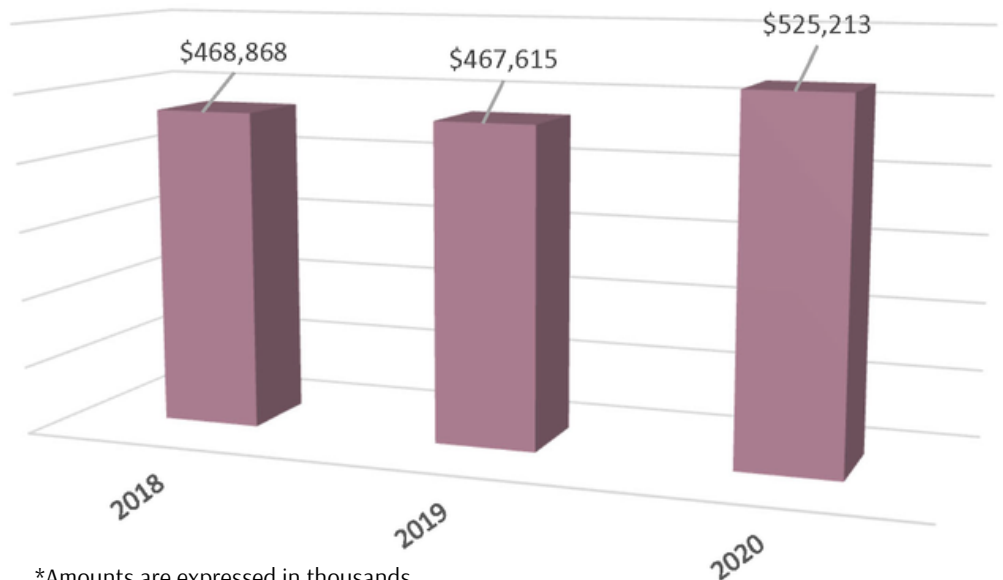
## GOVERNMENTAL EXPENSES: WHERE THE MONEY GOES

Governmental activities expenses for the City of Colorado Springs in FY 2020 totaled \$525.2 million, an increase of \$57.6 million from the previous year. The primary reason for the increase is due to pension expenses in both General Government and Public Safety. Additionally, there were increases in staffing and operating expenses in Public Safety as well as increases in roadway maintenance and repairs in Public Works. These increases were offset by reductions in Parks and Planning/Community Development expenses as a result of budget reductions implemented to compensate for revenue losses amid the COVID-19 pandemic.

### 2020 GOVERNMENTAL EXPENSES BY SOURCE



### 3 YEAR TREND GOVERNMENTAL ACTIVITIES EXPENSES\*



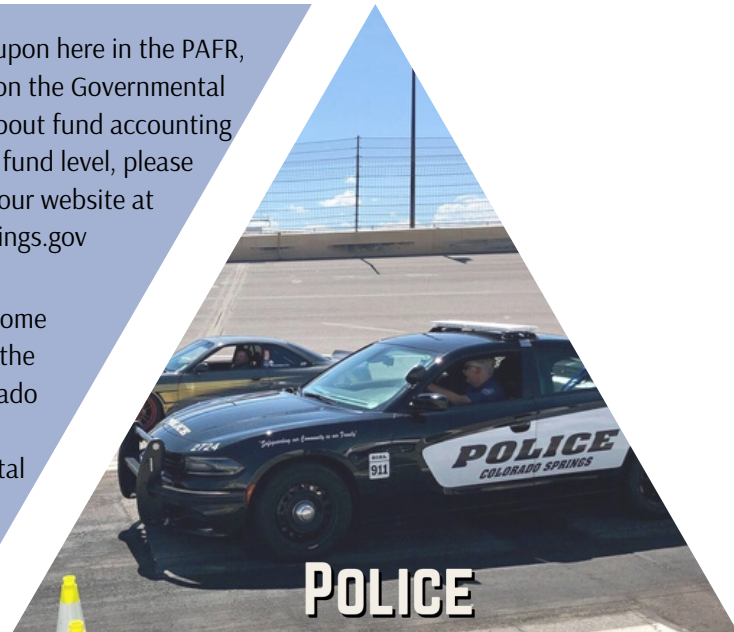
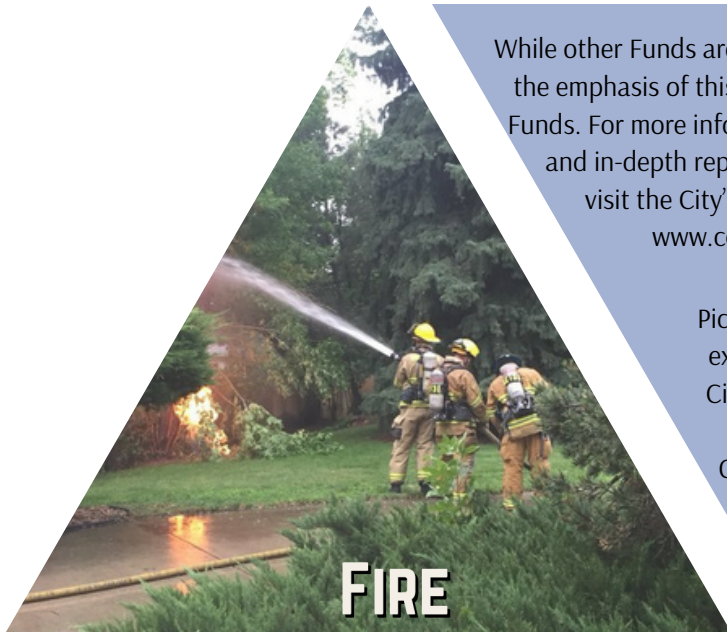
\*Amounts are expressed in thousands



# FUND ACCOUNTING: GOVERNMENTAL FUND

While other Funds are touched upon here in the PAFR, the emphasis of this report is on the Governmental Funds. For more information about fund accounting and in-depth reporting at a fund level, please visit the City's ACFR on our website at [www.coloradosprings.gov](http://www.coloradosprings.gov)

Pictured are some examples of the City of Colorado Springs' Governmental Activities



Colorado Springs, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City funds can be divided into three categories:

- Governmental Funds account for government activities such as public safety, public works, parks, and planning. The City's largest governmental fund is General Fund.
- Proprietary Funds include both enterprise funds and internal service funds and are used to account for self-supporting business-type activities.
- Fiduciary Funds account for resources held for the benefit of parties outside the government.

# SPECIAL REVENUE FUND HIGHLIGHTS

In addition to the general fund, the City of Colorado Springs has a variety of special revenue funds. These are programs that collect money in specific ways and can only spend it in other specific ways.

Road paving paid for by 2C tax revenues



## **Example #1: Lodgers and Auto Rental Tax Fund (LART)**

This fund collects money from people renting rooms (2%) or cars (1%) in the City of Colorado Springs. The money is used to attract visitors and to enhance the economy of the City and the Pikes Peak Region.

## **Example #2: Public Safety Sales Tax (PSST)**

The 0.4% Public Safety Sales Tax is used to fund public safety operating and capital improvement needs.

## **Example #3: Issue 2C**

The 0.62% Road Repair, Maintenance, and Improvement Tax, known as the "2C Road Tax", is dedicated to road improvement needs.



View of Pikes Peak from Garden of the Gods

## **Example #4: Trails, Open Space, & Parks (TOPS)**

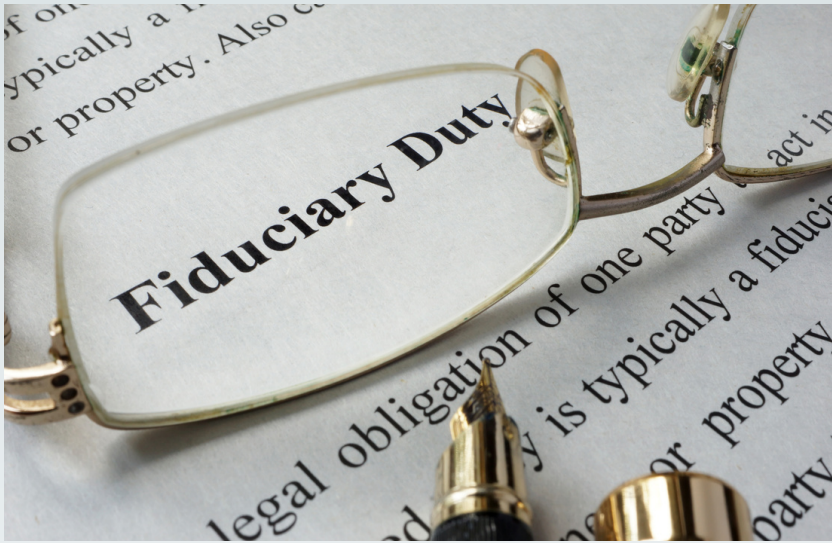
The TOPS 0.1% sales tax provides funding for the acquisition, development and preservation of trails, open space and parks.

Colorado Springs' TOPS program has preserved over 6,200 acres of open space in the Pikes Peak Region.



# OTHER FUND HIGHLIGHTS: PROPRIETARY & FIDUCIARY

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government and are not reflected in government wide financial statements because the resources of those funds are not available to support the City's own programs.



## Enterprise Funds in the City of Colorado Springs:

- Colorado Springs Utilities (CSU)
- Public Authority for Colorado Energy (PACE)
- Memorial Health System (MHS)
- Pikes Peak America's Mountain
- Colorado Springs Municipal Airport
- Patty Jewett Golf Course
- Valley Hi Golf Course
- Parking
- Cemeteries
- Development Review
- Stormwater

## Internal Service Activities in the City of Colorado Springs:

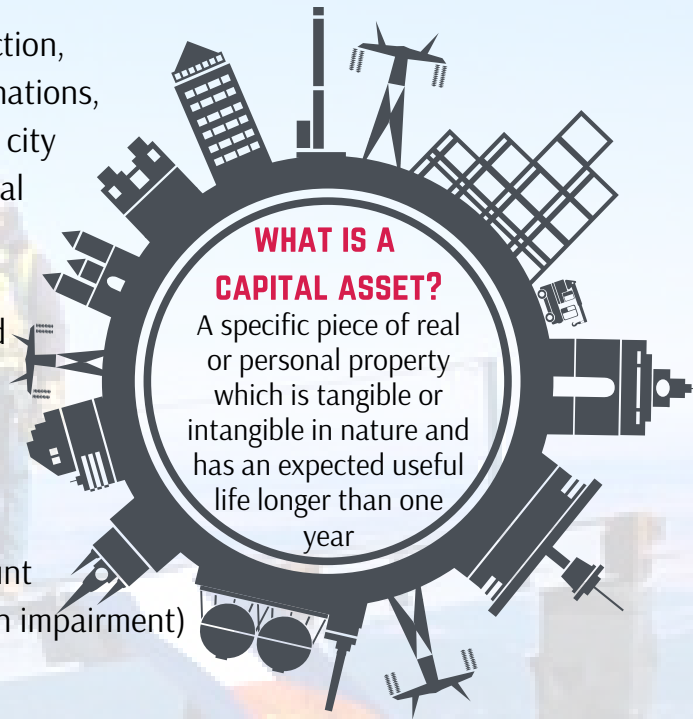
- Printing and mailing services
- Self-insurance activities
- Radio services



# WHAT WE OWN: CAPITAL ASSETS

Capital assets are acquired through outright purchase, construction, lease purchase agreements, installment purchase contracts, donations, or gifts to provide services for and enhance the quality of life of city residents. The City's capitalization threshold is \$5,000 for general assets and \$500,000 for infrastructure assets.

At the end of 2020, the City has **\$5.8 billion** invested in a broad range of capital assets (net of accumulated depreciation) that include buildings and improvements, equipment and other vehicles, infrastructure (including streets, alleys, traffic signals and signs, bridges, and drainage systems), enterprise plants, construction in process and intangible capital assets. This amount represents a net decrease (including additions, deletions, and an impairment) of \$88.4 million from fiscal year 2019.



Governmental activities showed a modest increase due to donated infrastructure as well as land acquisitions for parks and open space. Business-type activities offset this increase with a significant decrease in assets, primarily due to an asset impairment related to the decision to decommission power plants. In June 2020, the Utilities Board voted to approve an integrated resource plan that commits Utilities to providing cost-effective, resilient and environmentally sustainable power. The plan allows Utilities to achieve an 80% carbon reduction by 2030 and included a decision to decommission Martin Drake Power Plant, Ray Nixon Power Plant, and Birdsall Power Plant.

Donated capital assets are valued at their estimated acquisition on the date of receipt. In 2020, Pikes Peak Rural Transportation Authority donated \$25.2 million of infrastructure and developers donated \$19.3 million of infrastructure to governmental activities. These donated amounts remain strong as a result of continued local development.

## 2020 HIGHLIGHTS

Pikes Peak Summit House construction continues

Colorado Springs Airport Deicing Pad

Stormwater Infrastructure

Power Plant Decommission

The City annually prepares a five-year capital improvement plan included in the annual budget document. The governmental capital assets consist primarily of infrastructure such as streets, bridges and drainage systems. The business-type capital assets consist mainly of the Utilities plant and improvements other than buildings such as Airport Runways.

# WHAT WE OWE: UNDERSTANDING CITY DEBT

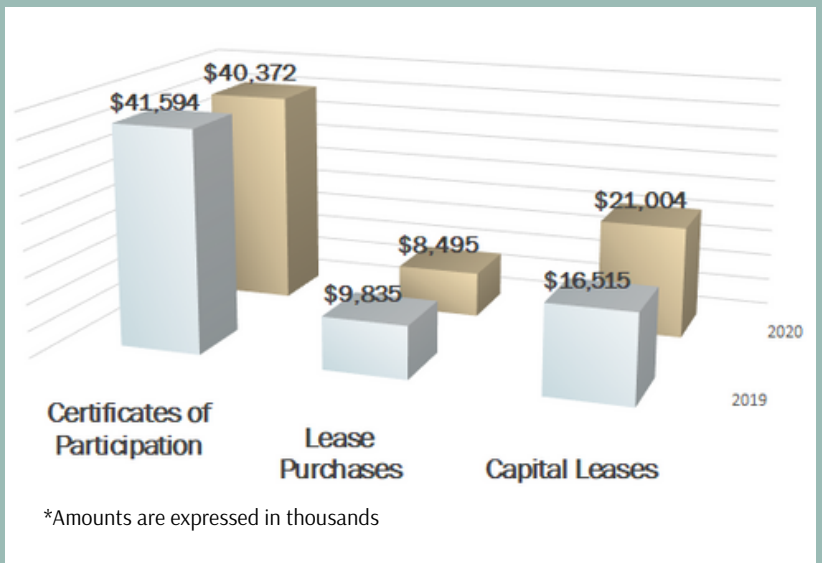


Pikes Peak Summit House construction

## Long-term Debt

The City issues certificates of participation and/or leases to fund capital projects of general government non-enterprise departments. The following schedule provides outstanding debt at the end of 2020 and 2019. The City reported \$69.9 million in total outstanding certificates of participation and leases at the end of 2020 for general government activities.

### 2 YEAR SCHEDULE OF LONG-TERM DEBT\*



Sand Creek Police Station

## Debt Management

The current debt limitation for the City's general government activities is \$628.1 million or 10% of the assessed property valuation. The City has no outstanding general obligation debt as it relates to this debt limit. The general obligation debt outstanding shown in the financial statements relate to the City's blended component units.



# UNDERSTANDING THE IMPACT OF THE TAXPAYER'S BILL OF RIGHTS (TABOR) ON COLORADO SPRINGS

## The Two Key Provisions of TABOR

### 1 All tax increases require voter approval

Any proposed tax increase can only be implemented if voters of the jurisdiction approve the increase at the ballot box. Here are some examples of ballot box controls:

- City voters (TOPS, PSST and City share of property tax and sales tax)
- State voters (income tax, sales tax, gasoline tax)
- School district voters (school district's property mill levy)
- Library district voters (library district's property mill levy)

### 2 Revenue limitation (cap)

TABOR limits the amount of revenue a jurisdiction can keep during a calendar year. The dollar figure for the City of Colorado Springs is established through a calculation based upon inflation and local growth during the previous year. If the previous year's revenue collections were less than the TABOR limit for that year, then the lower figure, which would consist of the actual collections, would be used in the formula to compute the current year's TABOR limit. In years when revenue exceeds the computed limit, TABOR requires the City to either return the over-collection to the tax payers or to ask the voters, through an election, for permission to retain the money.

**3.12%**

Sales Tax Rate  
for the City of  
Colorado Springs\*

### THE COMBINED CITY OF COLORADO SPRINGS' SALES AND USE TAX RATE IS 8.25% BROKEN OUT AS FOLLOWS\*:

City of Colorado Springs

3.12%

State of Colorado

2.90%

El Paso County

1.23%

PPRTA

1.00%

2C Road Tax .62%  
Public Safety Sales and Use Tax  
(PSST) .40%  
Trails, Open Space, and Parks Tax  
(TOPS) .10%  
General Sales and Use Tax  
(General Government Activities) 2.00%

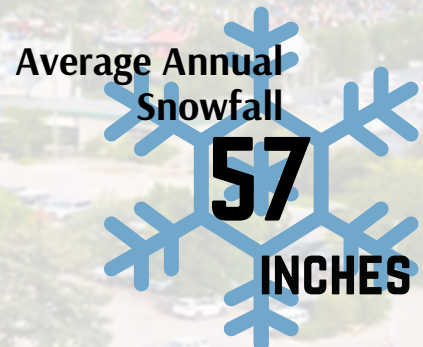
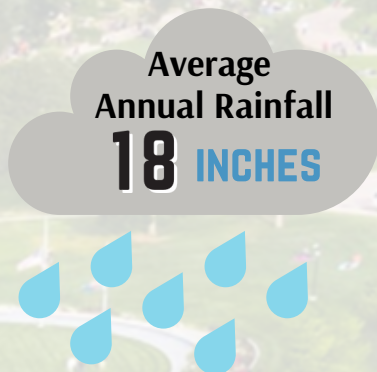
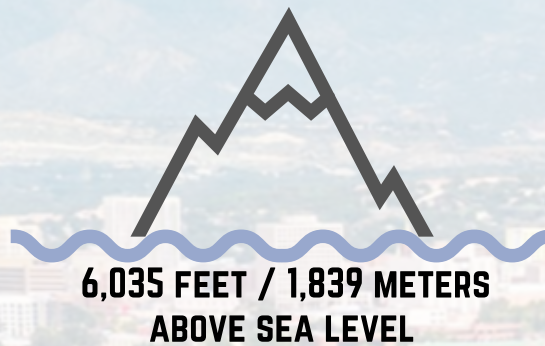
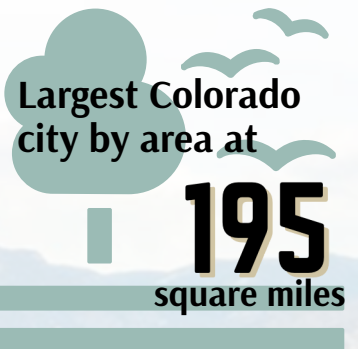


\*as of December 31, 2020

# COLORADO SPRINGS FUN FACTS



State, County, & City Parks



PAFR Prepared &  
Designed by:  
**MELANIE MCFARLANE**  
&  
**AMY TUTEN**

Cover Page:  
Garden of the Gods

Data sources: coloradospringschamberedc.com, visitcos.com, coloradosprings.gov